

EFFECTIVE DATE: January 4, 1982

REVISION DATES: \_\_\_\_\_

SUBJECT: REQUEST FOR CAPITAL OUTLAY1. Purpose

- To establish procedures for the initiation of capital outlay requests.
- To facilitate analysis of such requests for inclusion in the Annual Budget.
- To establish procedures for requesting capital outlay not included in the Adopted Budget.

2. Responsibilities

- a. In requesting the appropriation of funds for capital outlay items, City departments shall consider carefully all costs associated with such outlay, as well as the benefits to be derived, and shall submit full information in order to make possible a proper evaluation of such requests.
- b. The Budget and Research Department shall be responsible for the thorough investigation and evaluation of all requests for capital outlay. Evaluation will take place during the preparation of the Annual Budget. In addition, a re-evaluation will be made at the time the Purchase Requisition is submitted. The evaluation shall take into account the need for the item, work procedures involved, and the availability of funds. Generally, capital outlay items should reduce operating costs and/or improve City services, and all requests shall be evaluated according to these standards.
- c. The Budget and Research Department may administratively approve requests for capital outlay items in the amount of \$2,999 or less, provided funds are available in the proper activity account or can be made available through a budget adjustment. Expenditures in the amount of \$3,000 or more must first be approved by Budget and Research and then submitted to the City Council for consideration in the form of an ordinance.

3. Requests for Inclusion of Capital Outlay in the Annual Budget

- a. Each year, on the date specified by the Budget and Research Department, the departments shall submit two copies of Form FB-5, "Request for Capital Outlay", for all items requested for inclusion in the Annual Budget.

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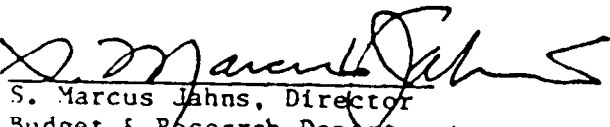
- 1.) Form FB-5 should be completed in accordance with instructions in the Budget Manual.
  - 2.) Special attention should be given the Justification Section on the FB-5.
  - b. All capital outlay requests shall be reviewed by the Budget and Research Department in light of their contribution to operational efficiency, improved services or reduced cost, and the financial ability to purchase such equipment. Those items approved by the City Manager will be included in the Budget submitted to the City Council for consideration and approval.
  - c. Upon adoption of the Budget by the City Council, the Budget and Research Department will return to the departments a copy of each FB-5 approved for inclusion in the final budget document.
4. Purchase of Items Included in Annual Budget
- Items included in the Annual Budget should be considered only as items tentatively approved for capital outlay expenditure. The following procedures shall be followed in purchasing such items:
- a. The Purchasing Director will annually prepare and distribute a calendar for the submission of Purchase Requisitions for various types of equipment. In order to obtain the maximum benefits of volume purchasing, departments should observe the calendar deadlines established for this purpose.
  - b. A completed Purchase Requisition shall be submitted to the Budget and Research Department. The Purchase Requisition must be accompanied by the approved copy of Form FB-5 returned to the departments at the time the Budget was adopted. The Budget and Research Department, upon receipt of the required documents, will re-review the request, in light of existing operating and financial conditions. If the purchase is approved by the Budget and Research Department, the Purchase Requisition, along with the approved Form FB-5, shall be transmitted to the Purchasing Department for further processing.
  - c. In the event the capital outlay request is disallowed by the Budget and Research Department, written notice and justification of the denial will be provided to the requesting department.

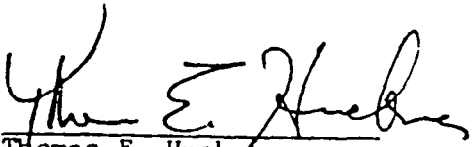
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SUBJECT: REQUEST FOR CAPITAL OUTLAY - PAGE 35. Purchase of Items Not Included in Annual Budget

- a. Requisitions of items not tentatively approved through inclusion in the Adopted Budget is strongly discouraged. It is recognized, however, that some non-budgeted capital outlay may become necessary to meet departmental responsibilities. Such requests may be submitted to the Budget and Research Department. The request must be accompanied by the following:
- 1.) Two completed copies of Form FB-5. Special attention should be given to the Justification Section.
  - 2.) A completed Budget Adjustment Form, if necessary, to allocate funds to the proper index code.
  - 3.) A copy of the approved FB-5 for an item included in the Annual Budget and for which the proposed item is to be substituted, if this means of financing is recommended by the department.
  - 4.) A memorandum explaining any other means of financing which may be proposed.
- b. Upon approval, the requisition will be forwarded to the Purchasing Department for further processing, in accordance with the established purchasing procedures.
- c. In the event the request for unbudgeted capital outlay is disapproved by the Budget and Research Department, the Purchase Requisition will be returned to the originating department with an explanation of the disapproval.

  
S. Marcus Jahns, Director  
Budget & Research Department

  
Thomas E. Huebner  
City Manager